

**LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY**

**WRITTEN QUESTION**

Mr Burgoyne to the Minister for Infrastructure, Planning and Logistics:

**NT Commercial Passenger Vehicle (CPV) Industry**

- 1. Following the 2017 Inquiry into Taxi Licensing and Subleasing Report, please advise the timeline to deliver each of the Public Account Committee recommendations (1-11)?**

Recommendation 1: *That the cap on taxi licence numbers in Darwin and Alice Springs be removed through a staged reform process. The staged reform process should be established in consultation with industry with a view to maximising the quality of taxi services while minimising any potentially adverse consequences of change.*

Government has committed to reviewing the future need for the cap as part of the broader review which is currently underway. The independent consultancy firm is expected to present its findings on the relevance of the cap for Government to consider in the second half of this year.

Recommendation 2: *That the requirements to hold a licence should be reviewed and revised to ensure that they adequately promote community safety and service standards without unfairly restricting entry to licence holding.*

In 2016, Government implemented new safety standards for persons seeking to apply for a taxi licence through the ballot. The Public Accounts Committee acknowledged those ballot requirements as an appropriate approach and ballots have continued to use these standards since. Notwithstanding this, licence holder requirements and standards are being further considered as part of the review.

Recommendation 3: *That the Department develop and implement a strategy for improving service standards and safety requirements.*

In December 2017, Government implemented new requirements for industry to provide service delivery standards data for monitoring by the Department of Infrastructure, Planning and Logistics. At the time, Government also introduced new and substantial penalties aimed at raising commercial passenger vehicle safety standards. These new regulations place obligations on each member of the taxi industry to ensure vehicles are safe for the travelling public.

Recommendation 4: *That, if the cap is maintained, the Department develop and implement a comprehensive strategy to prevent subleasing, including any necessary changes to legislation, regulations or licence conditions, and the development of effective means of enforcement. In developing this strategy, the Department should have regard to any need for transitional arrangements for existing sublease agreement.*

Government has been developing a new package aimed at providing industry with clear requirements around how taxis can be operated. These new conditions will prohibit subleasing and require drivers to be engaged under a bailment arrangement.

A model bailment agreement has been developed and has been made available to industry.

Recommendation 5: *That if the cap is maintained, the Department undertake proactive and comprehensive investigations to determine if licence holders are complying with current residency requirements.*

The Department of Infrastructure, Planning and Logistics has continued to be proactive in the area of identifying taxi licence holders who are no longer resident in the Territory. Seven taxi licences have recently been returned to Government as a result of their holders being non-compliant with residency requirements. These licences were subsequently reallocated through taxi ballot. The work means that there are now two new taxi operators in Alice Springs and five new taxi operators in Darwin.

Recommendation 6: *That, if the cap is maintained, taxi licences should be allocated through the ballot process between existing drivers who do not already hold a licence and have worked as a driver in the Northern Territory for at least five years.*

This prerequisite was introduced in the July 2016 ballot and has been applied to all subsequent ballots.

Recommendation 7: *That the Department take action to restore trust through open, transparent and accountable decision making.*

The Department of Infrastructure, Planning and Logistics oversees various industry forums, actively participates in stakeholder groups overseen by other agencies and engages with industry peak bodies and networks as required.

Department established forums include:

- Central Australian CPV Forum (covers southern region of NT);
- Top End CPV Forum (covers northern region of NT); and
- Accessible Point to Point Transport Working Group (covers all of NT and addresses issues relating to wheelchair accessible CPVs).

All Department policy relating to the regulation of the taxi industry is published online and is freely available to industry. Where any existing policy changes occur, or new policy is introduced, all industry members are included as part of the consultation and implementation processes.

Recommendation 8: *That the Department develop and implement an extensive education program to improve the industry's understanding of the regulatory framework, compliance with regulatory requirements and industry and consumer expectations.*

The Department of Infrastructure, Planning and Logistics develops and publishes information to assist industry with understanding its regulatory obligations. It also provides on-going education through its compliance officers and conducts face to face meetings and workshops as required.

Recommendation 9: *That the Department and the Department of Tourism and Culture work collaboratively with the industry to enhance the role of taxis in providing tourist services.*

The Top End and Central Australian forums are well represented by the tourism and hoteliers sectors, as well as other relevant stakeholders and representatives from the taxi industry. The forums provide a platform for industries to work together to deliver the best user experience possible.

Recommendation 10: *That all future industry reviews incorporate both industry consultation and comprehensive and objective analysis of the options for regulatory reform and their implications.*

This continues to be an essential basis for all industry reviews and was a key factor in selecting the identified consultancy firm to undertake the current review.

Recommendation 11: *That the Government, as far as possible within the current changing environment, avoid any further reviews of the taxi industry, and make clear decisions about the appropriate policy settings, and amend the applicable legislation to provide clear laws consistent with policy choices.*

Recommendation is part of ongoing considerations in the regulation of the CPV industry.

- 2. Despite Recommendation 11 that Government avoid any further reviews of the taxi industry – Why is Government once again reviewing the taxi industry?**

With the introduction of ridesharing services into the Northern Territory, Government committed to commissioning two reviews of the CPV industry.

The first of these reviews occurred six months after the introduction of ridesharing to ensure the disability sector was not adversely affected by the 2018 implemented changes.

The second review was to take place two years after the introduction of ridesharing to ensure the new regulatory framework was meeting industry and passenger expectations and to examine the need to maintain the cap on taxi numbers. This review was delayed due to the impact of COVID.

No further reviews of the taxi industry are scheduled to occur at this point in time.

**3. Legislative changes to address the issue of sub-leasing are scheduled to be included in the Transport Legislation CPV Amendment Bill. What are the key changes proposed in this bill and when will it be introduced to the parliament?**

It is proposed that Government consider the drafting of a Transport Legislation (Commercial Passenger Vehicle) Amendment Bill following completion of the commercial passenger vehicle review. The review findings and recommendations are expected to be provided to Government for its consideration in the second half of 2021.

The timing of introduction of the proposed Bill will be subject to Government's consideration of the review outcomes and drafting priorities for the Government Legislative Program.

**4. What measures are planned to be introduced to the Bailment Agreement Framework during 2021 and what feedback did you receive from industry stakeholders during the consultation period?**

Extensive consultation was undertaken during 2018 regarding bailment agreement provisions, including face to face meetings with operators and drivers in Darwin, Katherine and Alice Springs. Correspondence was sent to all taxi industry members to provide them with the opportunity to input into the development of bailment agreements.

Operators and drivers who understood the protections that this initiative provided to industry were supportive of the regulation of these agreements.

As a result of the feedback received, it was considered necessary to include a framework which adequately dealt with the issue of agents or managers acting on behalf of the licence holder.

The Department of Infrastructure, Planning and Logistics is now finalising the framework prior to final consultation. It is expected the regulation of bailment agreements and agent agreements will be implemented in the latter half of 2021 as part of a broader package aimed at ensuring greater industry transparency and protections, as well as addressing the subleasing of licences.

- 5. Established industry forums have been on hold since March 2020 due to health concerns around the COVID-19 pandemic. Will these forums recommence in 2021 and what are the back log of key issues that will need to be addressed as a result of this hiatus?**

The Department of Infrastructure, Planning and Logistics reconvened the Top End and Central Australian forums during March 2021 as part of the review consultant's stakeholder engagement. The department will consider timings to reconvene the Accessible Point to Point Transport Working Group (APPTWG) in line with outcomes of the review, however all APPTWG members were engaged individually during the consultation phase of the review.

It is anticipated that recommendations leading out of the review will help shape discussions on matters previously raised during these forums, as well as inform future initiatives.

- 6. DIPL recently awarded an \$87,806.95 lump sum consultancy to Victorian based Fivenines Consulting Pty Ltd to undertake the CPV Review. What level of industry stakeholder consultation will take place as part of the CPV Review?**

The consultant held numerous individualised industry and stakeholder workshops, both face to face and remotely across the Territory, with further consultation undertaken with interstate regulatory agencies and industry representatives.

Industry members were also given the opportunity to directly engage the consultant via email, telephone or face to face. The consultant was based in Darwin and Alice Springs during the consultation phase of the review, and included a visit to Katherine to meet with stakeholders.

## **7. What were the terms of reference for the consultancy?**

### **CPV Review Scope of Works**

The consultant is to conduct a detailed review into whether the regulatory changes, made in 2017-18 by the Government relating to the introduction of ridesharing services, have achieved the anticipated outcomes and whether further work is still needed to ensure the CPV industry is delivering sustainable, quality transport services to the travelling public.

The paper will:

- Analyse the efficacy of the existing framework and present findings and recommendations relating to:
  - ensuring a high level of personal safety and protection for drivers and the public;
  - ensuring services to the disability sector are, equitable, reliable and of a high standard;
  - the quality and reliability of transport services to the community;
  - the regulatory burden on industry;
  - the long term sustainability of the point to point CPV transport sector;
  - ensuring a simplified regulatory regime exists for industry and Government.

## **8. Why wasn't an NT based consultancy given preference?**

The contract was awarded in accordance with current Northern Territory Government procurement rules. While these rules do apply significant weighting to local entities, Government is still obliged to ensure the successful tenderer has the necessary skills and qualifications to undertake specialist review work.

## **9. The CPV Review consultancy calls for evidence based recommendations. Will these be made public to industry in the final review before releasing any decision on changes to be implemented?**

It is attended that the review's outcomes will be made public.